fee required, and any overpayments should also be charged to Deposit Account No. 50-1710.

In response to the April 24, 2002, please amend the above-identified application as follows:

**IN THE ABSTRACT:**

Please amend the Abstract by deleting the original Abstract and replacing it with the following Rewritten Abstract.

A method and system for holding an auction over a communication system such as the PSTN and/or the Internet. An auction system is provided in which bidders are identified using authentication or similar techniques. Their bids are filtered to reduce noise and eliminate unwanted bids, bidders, or comments before being broadcast to the other bidders and provided to the auctioneer. Bids are recorded and time-stamped, so that the timing of bids may be corrected for latency in the system.

**IN THE SPECIFICATION:**

Kindly replace specification paragraphs **[0022]** and **[0050]** with the following Rewritten Paragraphs. Copies

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of the Marked-up Paragraphs are attached for the Examiner's convenience.

Rewritten Paragraphs

[0022]    The connections between various components of the auction system **1**, as well as between the bidder voice terminals **10** and the auction system, can be physical connections, wireless connections or a combination of both. Likewise, it will be appreciated by a person skilled in the art that the elements of the auction system **1**, such as the connecting means **20** and the processing means **30**, can each comprise sub-elements distributed at various physical locations.  Furthermore, they may be mainly software structures attached to existing hardware platforms available in existing communications networks, specially designed hardware platforms, or a combination of both, such as interface access cards.  Moreover, the auctioneer's tasks may be performed by a person or by a data processor that may act on location or remotely, in analyzing the information on the output means **40** and commanding the auctioneer voice transmitter **50** to send voice messages to bidder terminals **10**.  Therefore, the communication links

B2 cont'd

and the blocks shown in the block diagram of **Figure 1** should not be considered restrictive in a physical sense.

B3

[0050]    The data packets are presented according to a predetermined scheme.  According to this embodiment, the auctioneer's computer **45** uses estimates of the different time delays for different bidders through networks **2** and **3** to compensate for the bias in favor of "closer" users, and uses these estimates in the predetermined scheme, in order to output data packets according to the time when the associated bidder messages were actually entered.  In this embodiment, the auctioneer computer **45** accomplishes the time compensation routine by subtracting the round-trip delay through networks **2** and **3** of each data packet it receives, from the time at which same data packet is received, before deciding which data packet came first. The same method may be used to alert the auctioneer that a bidder had entered a bid before being able to hear the closing gavel, and the bid should therefore be allowed. The round-trip time estimates needed for this embodiment are obtained from the controlling software for the networks **2** and **3**. Alternatively, the round-trip estimates could be obtained from the delay in  receiving an echo from a bidder

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